

1 HOUSE JOINT RESOLUTION NO. 2

2 INTRODUCED BY R. SOMERVILLE

3 BY REQUEST OF THE REVENUE AND TAXATION INTERIM COMMITTEE

4
5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL
6 ESTIMATE OF THE STATE'S ANTICIPATED GENERAL FUND REVENUE FOR EACH YEAR OF THE 2002-03 BIENNIUM FOR THE PURPOSE OF
7 ACHIEVING A BALANCED GENERAL FUND BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION;
8 ACCEPTING A ~~PRELIMINARY~~ JUNE 30, 2000, UNRESERVED GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY
9 ACCEPTED ACCOUNTING PRINCIPLES; ESTABLISHING OFFICIAL ESTIMATES OF CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING
10 THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION
11 AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 2001, 2002, AND 2003.

12
13 WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing
14 fiscal period, containing in detail for all operating funds the proposed expenditures and estimated revenue of the state; and

15 WHEREAS, Article VIII, section 9, of the Montana Constitution prohibits the Legislature from appropriating funds in excess of the
16 anticipated revenue of the state; and

17 WHEREAS, section 5-18-107, MCA, requires the Revenue and Taxation Interim Committee to estimate the amount of revenue projected
18 to be available for legislative appropriation and to introduce a resolution setting forth the Committee's current revenue estimate for the biennium;
19 and

20 WHEREAS, the Legislature intends that its revenue estimates and the underlying assumptions used to derive those estimates be used by
21 all agencies in the development of fiscal notes; and

1 WHEREAS, section 5-12-302(6), MCA, requires the Legislative Fiscal Analyst to assist the Revenue and Taxation Interim Committee in
2 its revenue estimating duties; and

3 WHEREAS, the Revenue and Taxation Interim Committee obtains the assistance of Executive Branch agencies in the development of the
4 revenue estimates; and

5 WHEREAS, the Revenue and Taxation Interim Committee has adopted revenue estimates for the general fund and for specific nongeneral
6 fund sources that are significant in the development of the state budget for the 2003 biennium; and

7 ~~WHEREAS, the actual unreserved general fund balance for fiscal year 2000 will not be determined until after the 57th Legislature~~
8 ~~convenes; and~~

9 WHEREAS, the amount of estimated revenue and the general fund balance affects policy decisions of the Executive Branch and the
10 Legislative Branch; and

11 WHEREAS, the revenue estimates and the underlying assumptions contained in this resolution provide the basis for a comprehensive
12 analysis of the state's financial condition.

13

14 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

15 That the state general fund revenue for fiscal years 2001, 2002, and 2003 be estimated to be ~~\$1,185,331,000, \$1,192,612,000~~
16 ~~\$1,190,955,000~~ \$1,200,186,000, ~~\$1,196,156,000~~ \$1,198,729,000, and ~~\$1,207,853,000~~ ~~\$1,211,299,000~~ \$1,210,972,000, respectively.

17 BE IT FURTHER RESOLVED, that the Legislature accept for budget purposes the ~~preliminary~~ unreserved fiscal year 2000 fund balance
18 of ~~\$170,326,000~~ \$176,000,000 for the general fund, prepared according to generally accepted accounting principles.

19 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates and the underlying
20 assumptions contained in this resolution as the official revenue estimates for fiscal years 2001, 2002, and 2003.

21 BE IT FURTHER RESOLVED, THAT THE DEPARTMENT OF REVENUE PROVIDE THE LEGISLATIVE FISCAL DIVISION WITH MONTHLY REPORTS CONCERNING AUDIT
22 ASSESSMENTS AND COLLECTIONS FOR EACH GENERAL FUND TAX REVENUE SOURCE BY TAX YEAR, BEGINNING WITH THE MONTH OF JULY 2000. THE REPORTS:

1 ~~—— (1) FOR ASSESSMENTS MUST LIST ASSESSMENTS OF \$50,000 OR GREATER SEPARATELY FROM THE REMAINING COMBINED ASSESSMENTS. THE REPORTS~~
2 ~~MUST INCLUDE THE STATUS OF EACH ACCOUNT AND:~~
3 ~~—— (A) THE AMOUNTS OF TAX;~~
4 ~~—— (B) THE AMOUNTS OF PENALTY;~~
5 ~~—— (C) THE AMOUNTS OF INTEREST; AND~~
6 ~~—— (D) THE AMOUNTS BECAUSE OF AMENDED AND DELINQUENT PRIOR YEAR RETURNS.~~
7 ~~—— (2) FOR COLLECTIONS MUST LIST ACCOUNTS OF \$50,000 OR GREATER SEPARATELY FROM THE REMAINING COMBINED ACCOUNTS. THE REPORTS MUST~~
8 ~~INCLUDE THE STATUS OF EACH ACCOUNT AND THE AMOUNTS OF:~~
9 ~~—— (A) TOTAL TAX COLLECTIONS TO DATE;~~
10 ~~—— (B) TOTAL PENALTY COLLECTIONS TO DATE;~~
11 ~~—— (C) TOTAL INTEREST COLLECTIONS TO DATE;~~
12 ~~—— (D) TOTAL PRIOR YEAR RETURNS COLLECTIONS TO DATE;~~
13 ~~—— (E) OUTSTANDING COLLECTIONS;~~
14 ~~—— (F) ESTIMATED COLLECTIONS;~~
15 ~~—— (G) TAX, PENALTY, OR INTEREST WRITTEN OFF OR SETTLED AT A LESSER AMOUNT; AND~~
16 ~~—— (H) COLLECTIONS COLLECTED INTERNALLY AND THE AMOUNTS COLLECTED EXTERNALLY BY A COLLECTION AGENCY, ALONG WITH THE COLLECTION AGENCY'S~~
17 ~~FEE; WITH REPORTS AT LEAST QUARTERLY CONCERNING AGGREGATE AUDIT COLLECTIONS FOR THE INDIVIDUAL INCOME TAX, CORPORATION LICENSE TAX, COAL~~
18 ~~SEVERANCE TAX, TELECOMMUNICATIONS TAX, AND OIL AND NATURAL GAS PRODUCTION TAX, BEGINNING WITH THE QUARTER ENDING SEPTEMBER 2001. THE REPORTS~~
19 ~~MUST INCLUDE FOR EACH TAX TYPE THE AMOUNT OF TAX, PENALTY, AND INTEREST. THE DEPARTMENT SHALL ALSO ON A QUARTERLY BASIS NOTIFY THE LEGISLATIVE~~
20 ~~FISCAL DIVISION BY TAX TYPE OF AGGREGATE AUDIT SETTLEMENTS GREATER THAN \$250,000.~~
21 BE IT FURTHER RESOLVED, THAT THE LEGISLATURE RECOGNIZE THE COMPETING PRIORITIES OF IMPLEMENTING POINTS AND ENCOURAGE THE DEPARTMENT
22 TO RECOGNIZE THE IMPORTANCE OF PROVIDING AUDIT COLLECTIONS IN SABHRS ON A MONTHLY BASIS.

BE IT FURTHER RESOLVED, THAT THE DEPARTMENT REPORT TO THE REVENUE AND TAXATION INTERIM COMMITTEE AT EACH MEETING DURING THE 2003 BIENNIUM ON THE PROGRESS OF INTEGRATING POINTS WITH THE STATE ACCOUNTING SYSTEM TO ENABLE THE REPORTING OF AUDITS, PENALTIES, AND INTEREST, ~~AND AMENDED AND DELINQUENT PRIOR YEAR RETURN COLLECTIONS SEPARATELY ON SABHRS.~~

GENERAL FUND REVENUE

The projections for total general fund revenue during the 2003 biennium (FY 2002 and FY 2003) are based on the assumption of a continuation of Montana law as it existed on January 1, 2001. The revenue estimates contained in the following tables are based on the assumptions listed in the tables that follow the general fund estimates and the assumptions contained in the "Revenue Estimates as Adopted by the Revenue and Taxation Committee" report prepared by the Legislative Fiscal Division.

Current Law

General Fund Revenue Estimates

(In Millions of Dollars)

Adjusted

	Actual	Estimated	Estimated	Estimated
<u>Source of Revenue</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Individual Income Tax	\$516.262	\$541.382	\$569.469	\$596.526
		\$539.980	\$571.493	\$598.531
		<u>\$545.356</u>	<u>\$575.077</u>	
Statewide and Vo-Tech Property Taxes	194.197	175.065	173.754	178.828
Corporation Income Tax	90.683	71.126	73.653	75.144
		<u>74.626</u>	<u>72.903</u>	<u>74.394</u>
Common School Interest and Income	44.296	47.924	42.621	43.600
Insurance Tax and License Fees	39.334	40.810	42.656	44.030

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	Permanent Coal Trust Interest Earnings	39.195	39.117	39.133	39.043
2	U.S. Mineral Royalty	19.243	21.807	26.756	20.474
3			<u>27.845</u>	<u>21.756</u>	
4	All Other Revenue	20.488	19.582	19.662	19.462
5	Wildfire Reimbursements	0.000	31.200	40.400	0.000
6			<u>28.878</u>	<u>14.570</u>	
7	Tobacco Settlement Revenue	34.804	15.677	18.925	19.147
8	Telecommunications Excise Tax	6.366	16.833	17.234	17.692
9			<u>19.745</u>	<u>17.566</u>	<u>17.919</u>
10			<u>21.523</u>	<u>18.756</u>	<u>19.113</u>
11	Video Gambling Machine Tax	13.851	13.828	13.796	15.107
12	Treasury Cash Account Interest	16.088	17.703	14.696	14.127
13	Inheritance Tax and Estate Tax	19.039	19.691	17.118	10.097
14	Oil and Natural Gas Production Tax	11.363	14.188	12.407	11.985
15	Motor Vehicle Fees	11.716	12.954	11.772	12.004
16	Public Institution Reimbursements	11.345	11.141	10.583	10.968
17			<u>11.755</u>	<u>12.521</u>	<u>12.932</u>
18	Coal Severance Tax	9.502	8.918	9.073	9.058
19	Liquor Excise and License Tax	7.172	7.534	7.925	8.383
20	Cigarette Tax	8.464	8.222	8.057	7.889
21	Investment License Fee	5.390	6.081	6.580	7.119

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	Lottery Profits	5.841	6.197	6.281	6.372
2	Liquor Profits	5.900	5.659	5.977	6.267
3	Nursing Facilities Fee	6.055	5.533	5.547	5.575
4	Foreign Capital Depository Tax	0.000	0.000	0.000	0.000
5	Electrical Energy Producers' License Tax	4.829	4.562	4.644	4.664
6	Metalliferous Mines Tax	2.703	4.063	4.706	4.553
7	Highway Patrol Fines	4.028	4.096	4.166	4.237
8	Public Contractors Tax	2.162	3.526	3.812	3.999
9			<u>1.887</u>	<u>2.441</u>	<u>2.478</u>
10	Wholesale Energy Transaction Tax	1.895	3.500	3.568	3.614
11	Tobacco Tax	2.017	2.137	2.265	2.400
12	Driver's License Fee	2.333	2.165	2.178	2.194
13	Railroad Car Tax	2.101	1.665	1.688	1.718
14	Wine Tax	1.017	1.059	1.107	1.156
15	Beer Tax	0.370	0.386	0.403	0.421
16	Telephone License Tax	3.491	0.000	0.000	0.000
17	Long-Range Bond Excess	0.101	0.000	0.000	0.000
18	Total General Fund	\$1,163.641	\$1,185.331	\$1,192.612	\$1,207.853
19			<u>\$1,190.955</u>	<u>\$1,196.156</u>	<u>\$1,211.299</u>
20			<u>\$1,200.186</u>	<u>\$1,198.729</u>	<u>\$1,210.972</u>

21 SIGNIFICANT ASSUMPTIONS FOR GENERAL FUND REVENUE ESTIMATES

1			Revenue and Taxation Interim Committee			
	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
2	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
3	Individual Income Tax					
4	CY	Taxpayer Population (Percent Change)	1.85%	1.85%	1.85%	1.85%
5	Income Indicators					
6	CY	Wage and Salary Income (Percent Change)	5.57%	4.57%	4.51%	4.79%
7	CY	Net Farm Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
8	CY	Interest Income (Percent Change)	(0.60%)	11.20%	4.30%	(1.70%)
9	CY	Dividend Income (Percent Change)	6.40%	4.10%	2.20%	1.30%
10	CY	Rent, Royalty, and Partnership Income (Percent Change)	1.70%	5.18%	4.92%	4.69%
11	CY	Net Business Income (Percent Change)	(0.60%)	1.40%	1.40%	1.40%
12	CY	Capital Gains and Losses (Percent Change)	7.90%	1.70%	1.30%	(0.10%)
13	CY	Supplemental Gains (Percent Change)	16.10%	4.10%	3.90%	3.80%
14	CY	Social Security Income (Percent Change)	10.00%	8.30%	7.70%	7.10%
15	CY	IRA Income (Percent Change)	10.90%	9.90%	9.90%	9.90%
16	CY	Pension Income (Percent Change)	10.90%	9.90%	9.90%	9.90%
17	CY	Other Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
18	CY	Additions to Income (Percent Change)	19.13%	3.44%	2.87%	2.32%
19	CY	IRA Deduction (Percent Change)	6.81%	6.81%	6.81%	6.81%
20	CY	Reductions to Income (Percent Change)	2.05%	3.98%	2.83%	1.80%
21	Deductions From Income					

	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	CY	Medical Costs and Premiums (Percent Change)	5.80%	6.40%	6.00%	6.60%
2	CY	Property Tax (Percent Change)	2.95%	4.95%	5.49%	5.49%
3	CY	Motor Vehicle Taxes and Fees (Percent Change)	0.00%	(50.00%)	(50.00%)	(50.00%)
4					<u>0.00%</u>	<u>0.00%</u>
5	CY	Home Mortgage (Percent Change)	8.40%	7.10%	6.60%	6.20%
6	CY	Contributions (Percent Change)	7.43%	7.43%	7.43%	7.43%
7	CY	Gambling Losses (Percent Change)	5.00%	5.00%	5.00%	5.00%
8		Credits				
9	CY	Home Owner and Renter Credit (Millions)	\$8.936	\$9.000	\$9.056	\$9.117
10	CY	Foreign Capital Depository Taxes (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
11	CY	Credit for Taxes Paid in Other States (Percent Change)	(4.11%)	6.08%	5.73%	5.42%
12	CY	All Other Credits (Percent Change)	0.00%	0.00%	0.00%	0.00%
13	CY	Planned Gifts (Percent Change)	36.91%	18.45%	(100.00%)	0.00%
14		Other Individual Income Tax Assumptions				
15	FY	Penalty and Interest (Millions)	\$3.415	\$3.500	\$3.500	\$3.850
16				<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
17	FY	Income Tax Audit Collections (Millions)	\$5.760	\$6.000	\$6.000	\$6.000
18				<u>\$10.500</u>	<u>\$14.000</u>	<u>\$15.000</u>
19	FY	Amended Returns (Millions)	\$(0.014)	\$1.000	\$1.000	\$1.000
20				<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
21	CY	Nonresident Tax Liability (Millions)	\$32.318	\$33.927	\$35.826	\$37.166

	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	CY	Current Calendar Year to Fiscal Year Conversion	52.1%	52.1%	52.1%	52.1%
2	CY	Previous Calendar Year to Fiscal Year Conversion	47.9%	47.9%	47.9%	47.9%
3	FY	Fiscal Year 2000 Base (Millions)	\$516.262			
4	Property Taxes: Taxable Value and Other Property Tax Indicators					
5	Taxable Value--40-Mill, 55-Mill, and 1.5-Mill Levies					
6	FY	Property Class One (Millions)	\$7.027	\$5.179	\$5.179	\$5.179
7	FY	Property Class Two (Millions)	\$8.282	\$8.461	\$12.708	\$14.720
8	FY	Property Class Three (Millions)	\$139.192	\$139.319	\$139.250	\$138.864
9	FY	Property Class Four (Millions)	\$894.188	\$920.536	\$966.097	\$1,019.148
10	FY	Property Class Five (Millions)	\$37.015	\$39.009	\$39.774	\$41.121
11	FY	Property Class Six (Millions)	\$22.571	\$15.695	\$9.705	\$3.714
12	FY	Property Class Seven (Millions)	\$1.882	\$0.156	\$0.151	\$0.149
13	FY	Property Class Eight (Millions)	\$215.748	\$112.783	\$117.181	\$121.751
14	FY	Property Class Nine (Millions)	\$498.030	\$230.833	\$223.782	\$221.099
15	FY	Property Class Ten (Millions)	\$8.520	\$8.709	\$8.313	\$7.301
16	FY	Property Class Twelve (Millions)	\$68.193	\$49.641	\$49.142	\$49.475
17	FY	Property Class Thirteen (Millions)	\$0.000	\$147.143	\$139.082	\$135.172
18	FY	Total Taxable Value (Millions)	\$1,863.987	\$1,652.914	\$1,684.706	\$1,737.291
19	Other Property Tax Indicators					
20	FY	Tax Increment Finance Value (Millions)	\$44.536	\$28.429	\$29.538	\$30.690
21	FY	Property Tax Abatement Value (Millions)	\$7.875	\$3.880	\$3.880	\$3.880

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1 FY	Taxable Value in Vo-Tech Counties (Millions)	\$618.047	\$576.691	\$587.783	\$603.893
2 FY	Reduction in Taxable Value of Intangible Property (Millions)	\$0.000	(\$4.312)	(\$29.328)	(\$44.903)
3 FY	Value Increase Because of Land Cap Sunset	\$0.000	\$0.000	\$0.000	\$6.410
4	Property Tax Nonlevy Revenue				
5 FY	40-Mill Nonlevy Revenue (Millions)	\$10.569	\$5.317	\$4.812	\$4.442
6 FY	40-Mill Adjustments (Millions)	(\$12.713)	(\$11.300)	(\$9.888)	(\$8.475)
7 FY	55-Mill Nonlevy Revenue (Millions)	\$23.089	\$18.031	\$17.720	\$17.351
8 FY	55-Mill Adjustments (Millions)	\$0.274	\$4.934	\$0.000	\$0.000
9 FY	1.5-Mill Nonlevy Revenue (Millions)	\$0.121	\$0.152	\$0.147	\$0.142
10 FY	1.5-Mill Adjustments (Millions)	\$0.000	\$0.039	\$0.034	\$0.029
11	Corporation License Tax				
12 FY	MT Corporate Taxable Income (Millions)	\$1,146.150	\$1,135.535	\$1,152.673	\$1,165.016
13 FY	Penalty and Interest (Millions)	\$0.661	\$1.000	\$1.500	\$1.750
14			<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
15 FY	Corporate Income Tax Audits (Millions)	\$0.546	\$2.000	\$3.000	\$3.500
16			<u>\$6.500</u>	<u>\$3.750</u>	<u>\$4.500</u>
17	Insurance Premiums Tax and License Fees				
18 FY	General Fund Fee Revenue (Millions)	\$1.028	\$0.000	\$0.000	\$0.000
19 FY	Genetics Fee (Millions)	\$0.542	\$0.550	\$0.555	\$0.560
20 FY	Premiums Tax (Millions)	\$40.121	\$41.398	\$42.715	\$44.074
21 FY	Offsets (Millions)	\$2.083	\$0.908	\$0.384	\$0.374

	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	FY	Refunds (Millions)	\$1.881	\$0.230	\$0.230	\$0.230
2		Federal Mineral Royalty				
3	CY	Oil Production (Millions of Barrels)	2.858	2.778	2.841	2.899
4	CY	Coal Production (Millions of Tons)	25.253	25.194	22.350	22.045
5	CY	Natural Gas Production (MMCF)	15.080	14.758	15.320	15.698
6	CY	Oil Price (Per Barrel)	\$22.188	\$16.722	\$16.150	\$15.906
7	CY	Coal Price (Per Ton)	\$9.207	\$9.175	\$9.550	\$9.499
8	CY	Natural Gas Price (Per MCF)	\$3.566	\$3.838	\$3.185	\$2.649
9	CY	Oil Royalty Rate (Percent)	10.95%	10.96%	10.97%	10.94%
10	CY	Coal Royalty Rate (Percent)	12.28%	12.35%	12.34%	12.32%
11	CY	Natural Gas Royalty Rate (Percent)	12.32%	12.32%	12.28%	12.29%
12	CY	Other Royalties (Millions)	\$0.106	\$0.110	\$0.108	\$0.108
13	CY	Rent and Bonus (Millions)	\$2.539	\$4.702	\$4.084	\$4.019
14	CY	Administration Fee (Millions)	\$1.039	\$0.260	\$0.000	\$0.000
15	<u>FY</u>	<u>ONE-TIME SETTLEMENT (MILLIONS)</u>	<u>\$0.000</u>	<u>\$6.038</u>	<u>\$0.000</u>	<u>\$0.000</u>
16		Treasurer's Cash Account				
17	FY	TCA Average Balance w/TRANS (Millions)	\$303.628	\$268.829	\$222.703	\$222.703
18	FY	TCA Average Yield (Percent)	5.30%	6.59%	6.60%	6.34%
19	FY	TRANS Issue Size (Millions)	\$0.000	\$0.000	\$20.000	\$20.000
20		Inheritance Tax and Estate Tax				
21	FY	Annual Change in Tax (Percent Change)	4.03%	3.43%	(13.07%)	(41.02%)

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	Video Gambling Machine Tax				
2	FY Video Machine Net Income (Millions)	\$269.857	\$276.551	\$283.412	\$297.473
3	Motor Vehicle License Fee--General Fund Allocations				
4	FY Motor Vehicle Registration Fee (Millions)	\$6.233	\$6.354	\$6.477	\$6.602
5	FY Recording of Liens Fee (Millions)	\$0.629	\$0.638	\$0.646	\$0.655
6	FY Title Fee (Millions)	\$1.292	\$1.299	\$1.306	\$1.313
7	FY Personal License Plate Fee (Millions)	\$0.728	\$0.751	\$0.775	\$0.799
8	FY New License Plate Fee (Millions)	\$0.857	\$1.874	\$0.465	\$0.465
9	FY Computer Fee (Millions)	\$1.304	\$1.344	\$1.385	\$1.427
10	FY Highway Patrol Fee (Millions)	\$0.300	\$0.310	\$0.320	\$0.330
11	FY Other Fees (Millions)	\$0.372	\$0.385	\$0.399	\$0.413
12	Public Institution Reimbursements				
13	FY Private Payments (Millions)	\$0.512	\$2.468	\$2.779	\$2.885
14				<u>\$2.797</u>	<u>\$2.904</u>
15	FY Insurance Payments (Millions)	\$0.000	\$0.583	\$0.524	\$0.524
16	FY Medicaid Payments (Millions)	\$12.491	\$10.952	\$10.151	\$10.429
17				<u>\$11.190</u>	<u>\$11.500</u>
18	FY Medicare Payments (Millions)	\$0.003	\$0.127	\$0.116	\$0.116
19			<u>\$0.741</u>	<u>\$0.997</u>	<u>\$0.992</u>
20	FY Debt Service MT Developmental Center (Millions)	(\$0.965)	(\$1.079)	(\$1.075)	(\$1.075)
21	FY Debt Service MT State Hospital (Millions)	\$0.000	(\$1.909)	(\$1.911)	(\$1.911)

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	Cigarette Tax				
2	FY Cigarette Packs (Millions)	71.801	70.504	69.088	67.665
3	FY Effective Tax Rate Per Pack (Cents)	16.39	16.39	16.39	16.39
4	FY Tribal Distribution (Millions)	(\$0.178)	(\$0.297)	(\$0.291)	(\$0.287)
5	Coal Severance Tax				
6	CY Severance Tax Coal Production (Million Tons)	33.915	34.417	34.803	34.313
7	CY Montana Contract Sales Price (Weighted CSP/Ton)	\$6.497	\$6.545	\$6.550	\$6.544
8	Oil Severance Tax				
9	CY Severance Tax Oil Production (Million Barrels)	15.772	16.171	16.538	16.875
10	CY Montana Oil Price (Weighted Price/Barrel)	\$26.38	\$19.88	\$19.20	\$18.91
11	CY Exempt Value of Production (Millions)	\$15.178	\$11.560	\$11.274	\$11.202
12	CY Effective Tax Rate (Percent)	10.68%	10.53%	10.40%	10.28%
13	Lottery Profit				
14	FY Total Lottery Sales (Millions)	\$29.900	\$30.318	\$30.554	\$30.825
15	FY Lottery Interest Earnings (Millions)	\$0.279	\$0.322	\$0.328	\$0.314
16	FY Other Revenue (Millions)	\$0.075	\$0.085	\$0.082	\$0.082
17	FY Lottery Operating Budget (Millions)	\$7.008	\$6.964	\$6.983	\$6.991
18	FY Lottery Prizes and Commissions (Millions)	\$17.321	\$17.563	\$17.700	\$17.857
19	Liquor Excise Tax				
20	FY Tribal Distributions (Millions)	(\$0.119)	(\$0.124)	(\$0.131)	(\$0.138)
21	Nursing Facilities Fee				

	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	FY	Bed Days (Millions)	2.020	1.976	1.981	1.991
2		Telephone License Tax				
3	FY	Total Taxable Gross Receipts (Millions)	\$193.922	\$0.000	\$0.000	\$0.000
4		Liquor Profits				
5	FY	Gross Liquor Sales (Millions)	\$57.359	\$60.281	\$63.414	\$67.080
6	FY	Cost of Goods Sold (Millions)	\$32.846	\$34.519	\$36.313	\$38.412
7	FY	Liquor Discounts and Commissions (Millions)	\$5.895	\$6.195	\$6.517	\$6.894
8	FY	Liquor Operating Costs (Millions)	\$1.167	\$1.194	\$1.275	\$1.284
9	FY	Other Income (Millions)	\$0.043	\$0.043	\$0.043	\$0.043
10		Electrical Energy Producers' License Tax				
11	FY	Kilowatt Hours Produced (Millions)	22,937.762	22,808.460	23,220.332	23,320.932
12		Investment License Fees				
13	FY	License Registration (Percent Change)	22.12%	12.84%	8.20%	8.20%
14		Highway Patrol Fines				
15	FY	Highway Patrol Fines (Percent Change)	7.16%	1.71%	1.71%	1.71%
16		Driver's License Fees				
17	FY	Driver's License Fees (Millions)	\$1.893	\$1.594	\$1.606	\$1.620
18	FY	Duplicate License Fees (Millions)	\$0.033	\$0.067	\$0.069	\$0.071
19	FY	Motorcycle Endorsement Fees (Millions)	\$0.014	\$0.021	\$0.021	\$0.021
20	FY	Interstate Commercial Vehicle Endorsement (Millions)	\$0.289	\$0.395	\$0.395	\$0.395
21	FY	Intrastate Commercial Vehicle Endorsement (Millions)	\$0.065	\$0.087	\$0.087	\$0.087

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	Metal Mines Tax				
2	CY Copper Production (Million lb)	1.898	3.080	3.196	3.196
3	CY Silver Production (Million oz)	1.106	1.585	0.846	0.835
4	CY Gold Production (Million oz)	0.312	0.283	0.082	0.010
5	CY Lead Production (Million lb)	13.054	13.764	2.294	0.000
6	CY Zinc Production (Million lb)	33.218	41.486	6.914	0.000
7	CY Molybdenum Production (Million lb)	3.800	6.300	7.400	7.700
8	CY Palladium Production (Million oz)	0.341	0.379	0.447	0.504
9	CY Platinum Production (Million oz)	0.102	0.114	0.134	0.151
10	CY Nickel Production (Million lb)	0.353	0.392	0.463	0.521
11	CY Rhodium Production (Million oz)	0.002	0.002	0.002	0.003
12	CY Sapphire Production (Million oz)	0.000	0.000	0.000	0.000
13	CY Iron Oxide Production (Million lb)	0.000	0.000	0.000	0.000
14	CY Copper Sulfide Production (Million lb)	47.202	76.620	79.504	79.504
15	CY Copper Price (Per lb)	\$0.508	\$0.508	\$0.508	\$0.508
16	CY Silver Price (Per oz)	\$4.915	\$5.018	\$5.220	\$5.297
17	CY Gold Price (Per oz)	\$273.000	\$281.950	\$298.450	\$312.800
18	CY Lead Price (Per lb)	\$0.223	\$0.223	\$0.223	\$0.223
19	CY Zinc Price (Per lb)	\$0.527	\$0.527	\$0.527	\$0.527
20	CY Molybdenum Price (Per lb)	\$2.065	\$2.065	\$2.065	\$2.065
21	CY Palladium Price (Per oz)	\$700.000	\$745.000	\$745.000	\$745.000

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1 CY	Platinum Price (Per oz)	\$545.000	\$545.000	\$545.000	\$545.000
2 CY	Nickel Price (Per lb)	\$3.831	\$3.831	\$3.831	\$3.831
3 CY	Rhodium Price (Per oz)	\$551.571	\$551.571	\$551.571	\$551.571
4 CY	Sapphire Price (Per oz)	\$0.000	\$0.000	\$0.000	\$0.000
5 CY	Iron Oxide Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
6 CY	Copper Sulfide Price (Per lb)	\$0.368	\$0.368	\$0.368	\$0.368
7 FY	Effective Tax Rate (Percent)	1.65%	1.65%	1.65%	1.65%
8	Contractor's Gross Receipts Tax				
9 FY	Tax Before Credits (Millions)	\$5.516	\$5.593	\$6.067	\$6.388
10			<u>\$5.003</u>	<u>\$5.265</u>	<u>\$5.359</u>
11 FY	Credits and Refunds (Millions)	\$3.445	\$2.067	\$2.256	\$2.389
12			<u>\$3.116</u>	<u>\$2.824</u>	<u>\$2.881</u>
13	Railroad Car Tax				
14 CY	Total MT Market Value of Fleets (Millions)	\$95.627	\$97.075	\$99.036	\$101.025
15 CY	Taxable Value Rate (Percent)	6.08%	4.27%	4.16%	4.07%
16 CY	95% of Industrial and Commercial Mill Levy	380.057	401.720	409.755	417.950
17	Tobacco Products Tax				
18 FY	Value of Tobacco Products (Millions)	\$16.338	\$17.316	\$18.352	\$19.451
19 FY	Tribal Distribution (Millions)	(\$0.025)	(\$0.027)	(\$0.029)	(\$0.031)
20	Natural Gas Severance Tax				
21 CY	Severance Tax Natural Gas Production (MMCF)	61.502	64.914	67.387	69.049

	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1	CY	Montana Natural Gas Price (Weighted Price/MCF)	\$2.741	\$2.950	\$2.488	\$2.036
2	CY	Exempt Value of Production (Millions)	\$8.773	\$9.633	\$8.076	\$6.732
3	CY	Effective Tax Rate (Percent)	11.16%	11.02%	10.90%	10.81%
4		Wine Tax				
5	FY	Wine Liters (Million)	6.547	6.825	7.129	7.448
6	FY	Tribal Distribution (Million)	(\$0.027)	(\$0.028)	(\$0.029)	(\$0.030)
7		Beer Tax				
8	FY	Beer Barrels (Million)	0.840	0.876	0.913	0.953
9	FY	Tribal Distribution (Million)	(\$0.050)	(\$0.052)	(\$0.054)	(\$0.056)
10		Foreign Capital Depository				
11	FY	November Average Balance (Million)	\$0.000	\$0.000	\$0.000	\$0.000
12	FY	May Average Balance (Million)	\$0.000	\$0.000	\$0.000	\$0.000
13		Tobacco Settlement				
14	FY	Volume Change (Percent Change)	(14.01%)	(2.53%)	(1.67%)	(1.84%)
15	FY	Cumulative Volume Change (Percent Change)	(14.01%)	(16.19%)	(17.58%)	(19.10%)
16	FY	CPI Change (Percent Change)	3.00%	3.30%	3.00%	3.00%
17	FY	Cumulative CPI Change (Percent Change)	3.00%	6.40%	9.59%	12.88%
18	FY	Operating Income Adjustment (Millions)	\$40.788	\$42.134	\$43.399	\$44.701
19	FY	Subsequent Manufacturer's Payment (Millions)	\$46.572	\$48.196	\$49.838	\$51.634
20		Wholesale Energy Transaction Tax				
21	CY	Kilowatt Hours (Millions)	22,630.597	23,564.316	23,562.631	23,562.631

<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1 FY	Kilowatt Hours (Millions)	11,714.972	23,335.510	23,788.606	24,097.858
2 FY	Credits for Taxes Paid (Million)	\$0.000	\$0.000	\$0.000	\$0.000
3	Telecommunications Excise Tax				
4 FY	Taxable Gross Receipts (Millions)	\$190.390	\$448.891	\$459.573	\$471.781
5			\$520.609	\$526.753	\$531.177
6			\$552.000	\$558.507	\$563.013
7 FY	<u>CREDITS (MILLIONS)</u>	<u>\$0.000</u>	<u>\$0.997</u>	<u>\$2.188</u>	<u>\$2.000</u>

8 SELECTED NONGENERAL FUND REVENUE

9 The projections for selected nongeneral fund revenue during the 2003 biennium are based on the assumption of a continuation of Montana
10 law as it existed on January 1, 2001. The revenue estimates contained in the following table are based on the assumptions listed in the tables
11 that follow the nongeneral fund estimates and the assumptions contained in the "Revenue Estimates as Adopted by the Revenue and Taxation
12 Committee" report prepared by the Legislative Fiscal Division.

13 Current Law

14 Selected Nongeneral Fund Revenue Estimates

15 (In Millions of Dollars)

16 Adjusted

<u>Source of Revenue</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
19 Diesel Tax	\$54.259	\$55.509	\$56.787	\$58.095
20		\$55.345	\$56.452	\$58.145
21 Diesel Storage Tank Fee	2.196	2.246	2.298	2.351

<u>Source of Revenue</u>	<u>Adjusted Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Estimated FY 2002</u>	<u>Estimated FY 2003</u>
1		<u>2.239</u>	<u>2.284</u>	<u>2.353</u>
2 Gas Tax	126.764	128.237	129.727	131.233
3		<u>123.452</u>	<u>124.793</u>	<u>125.447</u>
4 Gas Storage Tank Fee	3.788	3.830	3.874	3.917
5		<u>3.807</u>	<u>3.847</u>	<u>3.867</u>
6 Nongeneral Fund GVW and Other Fees	33.935	32.366	29.515	29.668
7			<u>29.666</u>	<u>29.821</u>
8 Resource Indemnity Trust Tax	6.793	3.140	2.904	2.809
9 Arts Trust Interest Earnings	0.254	0.301	0.317	0.331
10 Capital Land Grant Interest and Income	1.914	0.425	0.570	0.889
11 Deaf and Blind Trust Interest and Income	0.248	0.243	0.250	0.256
12 Parks Trust Interest Earnings	1.051	1.012	1.044	1.073
13		<u>1.091</u>	<u>1.123</u>	<u>1.152</u>
14 Pine Hills Interest and Income	0.300	0.308	0.316	0.328
15 Resource Indemnity Trust Earnings	9.184	7.467	7.582	7.609
16 <u>TOBACCO TRUST INTEREST EARNINGS</u>	<u>0.000</u>	<u>0.225</u>	<u>1.044</u>	<u>1.983</u>
17 Treasure State Endowment Interest Earnings	5.123	6.173	7.088	7.952
18 <u>TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM INTEREST EARNINGS</u>	<u>0.032</u>	<u>0.473</u>	<u>0.775</u>	<u>1.078</u>
19 6-Mill Property Tax	13.189	12.484	11.889	12.131
20 9-Mill Property Tax	8.481	6.418	6.512	6.684

<u>Source of Revenue</u>		<u>Adjusted Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Estimated FY 2002</u>	<u>Estimated FY 2003</u>
1			<u>6.585</u>	<u>6.687</u>	<u>6.854</u>
2	SELECTED ASSUMPTIONS FOR NONGENERAL FUND REVENUE ESTIMATES				
3	Revenue and Taxation Interim Committee				
4	<u>Year</u> <u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
5	Diesel Tax				
6	FY Taxable Gallons of Diesel (Millions)	209.610	214.438	219.377	224.430
7			<u>213.802</u>	<u>218.078</u>	<u>224.621</u>
8	FY Taxable Gallons of Diesel--Storage Tank Cleanup (Millions)	295.696	302.507	309.474	316.602
9		<u>292.739</u>	<u>298.594</u>	<u>304.566</u>	<u>313.703</u>
10	FY Refunds (Millions)	(\$3.326)	(\$3.403)	(\$3.481)	(\$3.561)
11			<u>(\$3.392)</u>	<u>(\$3.460)</u>	<u>(\$3.564)</u>
12	Gasoline Tax				
13	FY Taxable Gallons of Gasoline (Millions)	499.783	505.431	511.144	516.921
14			<u>487.082</u>	<u>492.225</u>	<u>494.734</u>
15	FY Taxable Gallons of Gasoline--Storage Tank Cleanup (Millions)	505.010	510.718	516.490	522.327
16			<u>507.580</u>	<u>512.939</u>	<u>515.554</u>
17	FY Refunds (Millions)	(\$3.268)	(\$3.305)	(\$3.342)	(\$3.380)
18			<u>(\$3.185)</u>	<u>(\$3.218)</u>	<u>(\$3.235)</u>
19	FY Tribal Distribution (Millions)	(\$3.560)	(\$3.560)	(\$3.560)	(\$3.560)
20	FY Alcohol Incentive (Millions)	\$0.000	\$0.000	\$0.000	\$1.500

	<u>Year</u>	<u>Assumption</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1		GVW Fees				
2	FY	GVW Fees (Millions)	\$8.853	\$8.853	\$8.853	\$8.853
3	FY	Form 3 GVW Fees (Millions)	\$0.856	\$0.858	\$0.858	\$0.858
4	FY	Trip Permit Fees (Millions)	\$0.881	\$0.881	\$0.881	\$0.881
5	FY	County GVW Fees (Millions)	\$7.321	\$7.428	\$7.500	\$7.501
6	FY	New Car Sales Tax (Millions)	\$12.534	\$6.945	\$0.000	\$0.000
7	FY	Motor Vehicle Fee Distribution (Millions)	\$0.000	\$3.847	\$7.810	\$7.927
8					<u>\$7.961</u>	<u>\$8.080</u>
9	FY	Overweight Trip Permit Fees (Millions)	\$1.459	\$1.508	\$1.550	\$1.568
10	FY	Special Permit Fees (Millions)	\$0.919	\$0.931	\$0.950	\$0.966
11	FY	Temporary Fuel Permits (Millions)	\$0.105	\$0.107	\$0.107	\$0.107
12	FY	Other Fees (Millions)	\$1.008	\$1.008	\$1.008	\$1.008
13		Other 6-Mill Levy Indicators (See General Fund Property Tax Assumptions for Other Detail)				
14	FY	Taxable Value (Millions)	\$1,900.648	\$1,677.463	\$1,710.364	\$1,764.101
15	FY	Nonlevy Revenue (Millions)	\$2.545	\$1.761	\$1.627	\$1.546
16	FY	6-Mill Adjustments (Millions)	\$0.000	\$0.658	\$0.000	\$0.000
17		9-Mill Levy Indicators				
18	FY	Taxable Value (Millions)	\$716.004	\$677.622	\$690.655	\$712.213
19				<u>\$695.816</u>	<u>\$709.630</u>	<u>\$730.692</u>
20	FY	Nonlevy Revenue (Millions)	\$0.861	\$0.319	\$0.296	\$0.274
21	FY	9-Mill Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
22			- END -			